Unemployment Insurance Review

February 1967

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UI Research Studies

UI Benefit Experience in 1966

The President's Economic Report to Congress

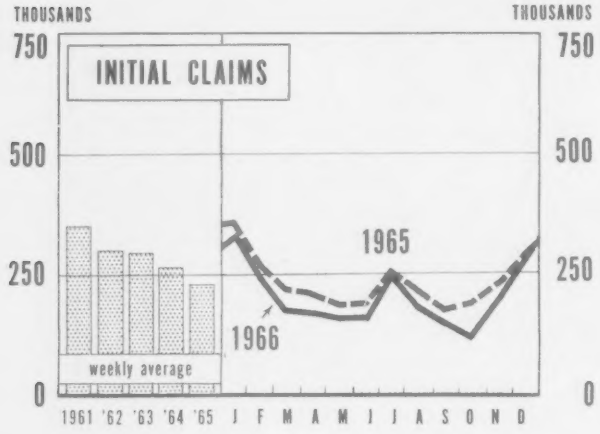
Improving Communications Skills of UI Personnel

UNITED STATES DEPARTMENT OF LABOR

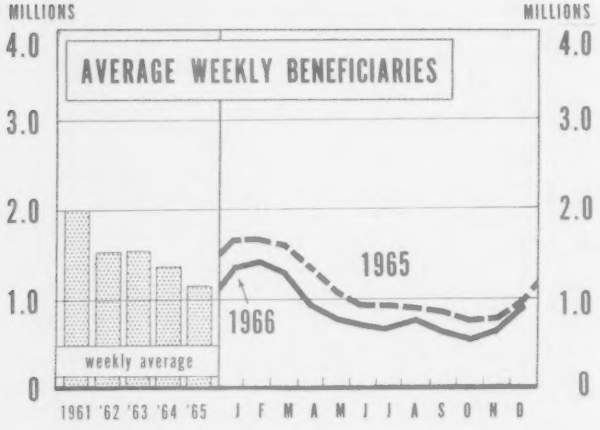
W. Willard Wirtz, Secretary

UNEMPLOYMENT INSURANCE ACTIVITIES

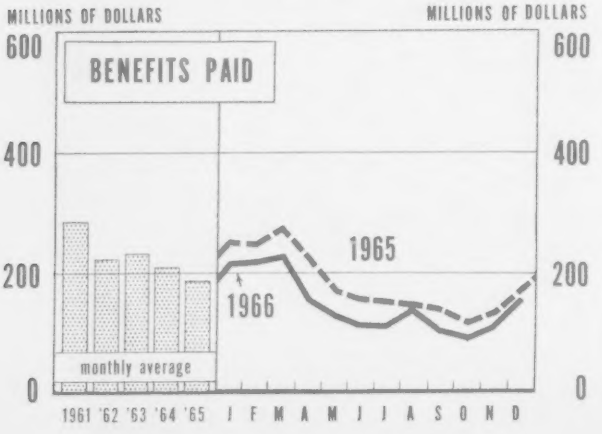
UNDER STATE PROGRAMS



Initial claims under State programs averaged 299,400 per week in December, 44 percent above the November figure. The over-the-month rise was sharper than usual for this time of year. Compared with a year earlier, initial claims were up by 3 percent.



In December, the number of beneficiaries receiving payments under State unemployment insurance programs averaged 902,400 per week. This was 34 percent above the November volume, and the lowest December figure in 11 years. A year earlier, beneficiaries averaged 990,200.



Benefits paid to jobless workers insured under State programs totaled $157.6 million in December—an increase of $42.8 million from the November figure but $14.5 million less than a year earlier.

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U.S. DEPARTMENT OF LABOR
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Research Studies*

RESEARCH STUDIES are needed continually to aid in evaluation of the unemployment insurance system as well as in policy formulation at both the State and national levels. To help coordinate such research, the Bureau published in January 1967 the *Selected Bibliography of Unemployment Insurance Program Research Studies, 1951–1966* (BES No. U–257). Copies have been distributed to all State agencies and to other interested organizations or individuals.

This bibliography was prepared as a ready reference to serve the needs of State employment security agencies, other governmental or private research groups, and students interested in unemployment insurance. It lists, both by subject area and by State, research reports published from 1951 through 1966 that relate primarily to the program aspects of unemployment insurance.

The reports listed provide analyses of statistical data in such areas as extension of coverage, monetary eligibility, nonmonetary eligibility, reasons for unemployment, benefit structure, weekly benefit amount, benefit duration, and characteristics of covered workers and claimants. In general, reports dealing with the financial and actuarial aspects, statistical reports, and administrative data are excluded.

"State studies" are those published by any State government instrumentality, although most reports were prepared by State employment security agencies. Publications of nongovernmental facilities, such as universities and private research organizations, are also included in both subject and State lists if they were developed under the auspices of, or with the extensive help and cooperation of, a State governmental agency.

Recent Research Reports

In 1966, the States published 74 studies on UI research subjects, excluding those on benefit financing. Space limitations preclude summarizing all these studies here. However, the following summaries of a few reflect the variety of subjects listed in the bibliography.

Continuous Wage and Benefit History Program—North Carolina

In December 1966, North Carolina published "1965 Continuous Wage Study and 1964 Continuous UI Claimant Study." This report covered the year 1965 for workers; and 1960–64 for claimants, with emphasis on those establishing benefit years in 1964.

During 1965, 1.5 million different workers earned wages in covered employment in North Carolina. The report points out the following facts regarding these workers:

They accounted for 141 percent of average monthly covered employment during the year.

**Prepared in the Division of Program Studies, Office of Program Development and Legislation, Unemployment Insurance Service, Bureau of Employment Security.*

This ratio ranged from 108 percent in "all other durable goods" manufacturing to 195 percent in construction, indicating the varying level of worker turnover and job opportunities.

Their average earnings during the year amounted to $3,124. Fifty-seven percent earned less than $3,000, and 28 percent earned under $1,000. At the other end of the scale, 17 percent earned over $5,000, with nearly 6 percent making $8,000 or more.

They had average high-quarter earnings of $1,084, about one-third of their average annual earnings.

A median ratio of annual to high-quarter wages of 291 percent was developed by these workers. This ratio ranged from 189 percent in the seasonal construction industry to 341 percent in the stable chemical-petroleum-coal industry.

If all of these workers had applied for unemployment insurance benefits, at least 19 percent would have been determined to be monetarily ineligible since they earned less than $550 in 1965 (North Carolina's minimum base-period wages requirement).

They averaged 3.55 wage items (quarterly wage records), little changed from the 3.36 figure 15 years earlier.

With regard to claimants, the study revealed that some 159,000 workers established benefit years in 1964. The report emphasizes the exhaustion and "repeater" status of these claimants.

Over half of all claimants drew fewer than 10 weeks of benefits. Ten percent received benefits for less than 1 full week. One-fifth drew benefits for 20 or more weeks. These proportions were unchanged from those of a similar study in 1963.

Fifteen percent of the claimants exhausted the maximum benefits to which they were entitled. The exhaustion ratio was relatively unchanged for 3 straight years.

Exhaustees accounted for 42 percent of all weeks compensated and for 41 percent of the total amount of benefits paid to all claimants who established benefit years in 1964. One-third of them, however, received less than $17 a week; half had a weekly benefit amount of $22 or less.

Relatively more women and older workers were included among exhaustees and repeater claimants than among all claimants. Many of the repeaters had worked in seasonal industries, particularly the tobacco and food processing segments of manufacturing.

Of the 159,000 claimants who established benefit years in 1964, 34 percent had filed in 2 consecutive benefit years; 16 percent, in 3 consecutive years; 9 percent, in 4 consecutive years; and 6 percent, in 5 consecutive years. These proportions were similar to those for repeaters in each of the years from 1960 through 1963.

The report states that this is the first study published under North Carolina's continuing wage and benefit history program. Actually, the claimant analyses are identical to those presented in previous years generally pertaining to claimant repeater studies. The data for the workers appear in the report for the first time and include several tables which are suggested in the *Guide for the Conduct of Unemployment Benefit Entitlement Studies* (BES U–190).

Benefit Entitlement—Alaska

In May 1966, Alaska published a "Benefit Entitlement Study," covering 1958 through 1962, with special emphasis on the years 1960–62 (118 pp.).

This benefit entitlement report clearly points out the difficulties of establishing realistic minimum eligibility requirements for Alaska because of the seasonal nature of the economy and the casual labor force attachment of many workers with earnings in covered employment. The report states that the current $500 minimum earnings requirement in the base period no longer is a realistic monetary measure for minimum labor force attachment. To meet the needs unique in Alaska, the qualifying requirement should be set at a level that would assure admittance to benefits of the full-time worker segment while denying benefits to those with casual attachment, without seriously jeopardizing the benefit rights of seasonal workers whose job opportunities are limited.

The report examines a number of alternative proposals suggested by the study data. It concludes that the proposal with the "most promise" would require a minimum of $900 in the base period *and* wages in at least two quarters. This would be tied to a variable duration benefit schedule based on equivalent weeks worked.

In arriving at that proposal, the agency considered a number of factors or situations pertaining to eligibility requirements, including the following six:

1. A minimum of $900 base-period earnings: A flat $900 base-period earnings requirement, $400 higher than the current minimum, was discussed

and was not recommended to be used as the sole measure of labor force attachment. If a $900 requirement is used, it should be in conjunction with either a weeks-of-work requirement, a ratio of annual to high-quarter wages, or some other test of wage distribution.

2. A specified number of actual weeks worked in the base period: The use of this standard would replace the ratio of annual to high-quarter wage requirement currently in effect and would overcome inequities inherent in such a ratio requirement. In the light of the study data, the report concludes that it would be "unrealistic" to require as much as 17–20 weeks of work in the base period, as do all but two of the States using this measure. An equitable weeks-of-work requirement appeared to be in the range of 13–16 weeks.

By applying Alaska's minimum hourly wage of $1.75 to a 40-hour week, only 13 weeks are needed to earn $910. Less than 8 percent of the workers whose 1962 wages were below $900 worked 13 or more weeks. On the other hand, because of high weekly earnings in Alaska during short periods of work, almost one-fourth of the workers who earned $900 or better in 1962 worked no more than 13 weeks. A requirement of at least 13 weeks of work was recommended.

A combination of $900 in base-period earnings *and* at least 13 weeks of work would make ineligible about 43 percent of the workers who had earnings in covered employment in 1962. By comparison, the current eligibility requirements ($500 base-period earnings and 1¼ times high quarter) would have monetarily disqualified 40 percent of the workers who had earnings in covered employment in 1961.

To effect a weeks-of-work proposal, the legislature would have to reinstitute the reporting of weeks of work. So that this measure of work force attachment could be studied, Alaska employers had been required to report weeks of work along with their regular quarterly wage reports during the period 1961–64, but the weeks-of-work reporting was discontinued January 1, 1965.

3. A multiple of weekly benefit amount (WBA): As an alternative to the actual weeks-of-work requirement, the report suggests that a "less desirable but still satisfactory" method of determining eligibility is to use the amount of wages required as a specified multiple of the weekly benefit amount. The formula suggested is 45 times WBA which would be set at 1/39 of high-quarter earnings, or one-third of the average weekly wage.

4. Multiple of high-quarter wages: Alaska currently uses this qualifying requirement, 1¼ times high-quarter earnings. The discussion in the report infers that while "several alternatives are available for strengthening the program within the existing eligibility scheme," the multiple of high-quarter wage requirement seems less satisfactory than raising the minimum earnings and requiring earnings in at least two quarters.

5. Variable duration of benefits: A variable duration formula may be effective in a seasonal economy, provided duration is related to the time worked rather than to base-period earnings. Currently, all eligible Alaska claimants who earn $1,600 or more in the base period qualify for the maximum duration of 26 weeks. According to the report, the potential duration of benefits can be related to length of time worked in either of two ways, actual hours of work to be reported by employers or equivalent weeks of work determined by the formula 13 times the quotient derived by dividing annual by high-quarter earnings (13 times AE/HQE). The latter alternative tends to overstate actual weeks of work for those in the lower ranges of the pay scale.

6. Requalification for reduced benefits: The report recommends that claimants who do not meet the proposed wage distribution requirement be considered eligible for reduced unemployment insurance benefits, provided they qualify on the basis of employment in a period prior to the base period. However, no specific requalifying plan was recommended.

The recommendations regarding eligibility requirements are based on an analysis of (1) characteristics of midyear (1961) workers and (2) work histories of midyear workers in prior and subsequent years, as outlined below.

1. Study of the characteristics of 1961 workers highlighted the following facts:

Employment in Alaska is highly seasonal. In 1961, slightly more than one-half of all covered workers were employed in no more than two quarters. A large majority of those in canning and preserving worked only one quarter. The highest proportions of workers with employment in four quarters were those in (a) finance, insurance, and real estate, (b) the logging—lumber and pulp—segment of manufacturing, and (c) transportation, communications, and utilities.

Worker turnover is also high. In 1961, more than 68,000 different persons worked at some time during the year. This total represents 28,000 more than the number of jobs at the August seasonal peak and about 36,000 more than the average monthly employment.

Those in construction and manufacturing comprised 40 percent of all covered workers and about 50 percent of all UI claimants.

About 80 percent of all Alaskan workers earned all of their wages in their major industry designation. The ones with the strongest labor force attachment, however, were likely to be those who supplemented their income by working in other industries.

Almost 40 percent of all workers—particularly those in canning and preserving and in construction—earned their highest wages in the July–September quarter.

Because of the large numbers of part-year workers, annual earnings varied considerably. In 1961, about 50 percent of all workers earned less than $2,283, with half earning less than $635. At the other end of the wage scale, 28 percent of the workers earned $5,000 or more.

The median ratio of annual to high-quarter wages was only 1.62 for all workers. More than 58 percent of the canning and preserving workers had a ratio of under 1.25 and thus would have failed to qualify for unemployment benefits.

2. Work histories of 1961 workers in prior and subsequent years revealed the following characteristics:

Only 47 percent of all workers with wages in 1961 were in the labor force for 3 consecutive years (1960–62), 19 percent worked only in 1961, and the remaining 34 percent were almost evenly divided between new entrants and withdrawals.

The workers in 1961 who were most likely to have been employed in prior and subsequent years were those who in that year had at least three quarters of work, had a ratio of annual to high-quarter wages of at least 2.00, and had $3,000 or more in annual earnings.

Consistency of attachment to one principal industry was highest for 1961 workers in the finance, insurance, and real estate and the canning and preserving segments of manufacturing—two industries quite unlike each other. The strong industry attachment of low wage earners in canning and preserving (and in services) suggests less "other" work available for these workers, or their unwillingness to do "other" work.

This benefit entitlement study is a byproduct of a continuous wage and benefit history program maintained by Alaska. A continuous 20-percent sample of wage information has been made available for research and analysis since 1958. Tables of wage data are published annually. The study specifically excludes all Federal employees, employees of the Alaska Railroad, most State and local government employees, domestics, self-employed individuals, professional workers in nonprofit hospitals, and most agricultural workers and fishermen.

Duration and Exhaustions—Idaho

In April 1966, Idaho published a report on "The Insured Unemployed in Idaho, Duration and Exhaustions of Unemployment Insurance." This 53-page publication covers the 1963-64 benefit year (Idaho's benefit year extends from July 1 through June 30). The following facts are pointed out, pertaining to claimants who drew one or more full weeks of benefits in the 1963–64 benefit year.

During that year, 21,500 claimants drew at least 1 full week of benefits, some 600 under the previous year's total. Men accounted for almost three-fourths of the total.

The proportion of claimants from Idaho's seasonal industries (construction, lumber, and food processing) was over twice as high as the proportion of all employment found in those industries. These industries accounted for 58 percent of the claimants and 27 percent of the average monthly covered employment.

Most claimants did not attain long-term unemployed status (15 weeks and over). Three-fourths of them drew 14 or fewer weeks. Average actual duration was 10.6 weeks for all claimants.

Median base-period wage for claimants was $3,110; for exhaustees, $2,660. The construction industry had the highest wages.

In the 1963–64 benefit year, the exhaustion rate was 28 percent; in 1962–63, it was 32 percent.

Claimants drew 58 percent of the total benefits for which they were potentially eligible.

Some 28 percent of all claimants exhausted their benefits. One-third of the exhaustees last worked in the lumber industry, another 30 percent in construction.

Compared to all claimants, exhaustees were slightly older, had shorter potential duration,

longer actual duration (5 weeks longer), lower weekly benefit amount, and lower base-period earnings.

Repeaters (persons who drew benefits in two or more successive benefit years) differed little from all claimants in weekly benefit amount, potential duration, actual duration, or sex distribution.

This is the second of a series of annual reports dealing with the characteristics of Idaho claimants and exhaustees who drew at least 1 full week of benefits. It concentrates on the duration factors in a variable duration State, and compares certain experiences of all claimants with those of claimants who exhaust benefits. Repeaters are also included, mainly in the comparison of their duration to the duration of exhaustees and all claimants.

In many instances, the report compares the claimant experiences of benefit year 1963–64 with those of benefit year 1962–63. While Idaho has an extended duration provision, it was not triggered during 1963–64. Extended duration claims are excluded from 1962–63 figures even though the provision was in operation February through June of 1963.

The claimant characteristics portion of the study was based on a 100-percent sample of all claimants who drew benefits for 1 week or more in the benefit year 1963–64; the benefit history information was based on a 20-percent sample.

Other significant facts brought out in the report are that overall employment in Idaho is highly seasonal—employment of 73,300 in October 1963 was almost double that of January 1964 (41,500 workers). The highly seasonal industries are food processing (11,700 workers on a monthly average in 1964), lumber (also 11,700), and construction (9,300). Trade, which employed the largest group of workers (41,200 in 1964), showed little seasonal variation. The seasonal employment fluctuations greatly influence the trends and industrial makeup of beneficiaries. The average potential duration was 18.5 weeks. Trade had the highest—26 weeks; lumber and construction had the lowest—16 weeks. The average actual duration was 10.6 weeks and showed less variation from industry to industry.

Claimant Characteristics—Hawaii

In September 1966, Hawaii issued a report describing the personal characteristics and benefit entitlement of its UI claimants during calendar year 1965, entitled "The Unemployment Insurance Claimant—1965." Some highlights of the findings follow:

Of the total number of claimants, 61 percent were men and 39 percent were women.

The typical man claimant was unemployed due to lack of work or was only partially employed. He was under 55 years of age. He worked in a skilled, semiskilled, or unskilled occupation, most likely in the construction industry or trade. During the base period on which his claim for benefits was based, he had worked for one employer and earned an average weekly wage of $100 or more. After he became unemployed, he drew on an average a weekly benefit check of $47, which was not quite 50 percent of his average weekly wage.

The typical woman claimant either had only partial employment or was unemployed for lack of work. She was under 45 years of age. She had been employed in a service or clerical job, probably in a service or trade industry. During the base period on which her claim was based, she had worked for only one employer and had earned an average weekly wage of under $75. On an average her weekly benefit check was $34, which was over 50 percent of her average weekly wage.

Many other significant facts concerning Hawaii's claimants are brought out in the report. For example, over three-fourths of the unemployed had over 26 weeks of work in their base-year employment, and 60 percent of all claimants had earned over $3,000 a year. More than half of the claimants from the two largest industry groups, construction and wholesale and retail trade, were under 35 years of age. Partial unemployment accounted for almost one-fourth of all claimants.

Data were compiled by the Hawaii Department of Labor and Industrial Relations for use in measuring the effectiveness of the State's unemployment insurance laws and as a basis for proposed legislative amendments.

The report was based on data gathered under a continuous wage and benefit history program, using suggestions from the Bureau of Employment Security's *Guide for a Continuous Wage and Benefit History Program* (BES No. U-251, January 1966). Data were compiled from a 20-percent sample of all new claims.

Pensioners—Oregon

In the spring of 1966, Oregon published a 36-page study entitled "Oregon Claimants Eligible for OASI Pensions." The report examines the characteristics of claimants, in the period October 1963–September 1964, who were eligible for pensions under the old-age and survivors insurance (OASI) parts of the old-age, survivors, disability, and health insurance program. Following are some of the highlights of the report.

Almost 6 percent of Oregon's benefit recipients were 62 years or older. Slightly more than half of these older chaimants received OASI pensions. Under recent changes in the Oregon law requiring intensive examination of the eligibility of OASI pensioners, 16 percent of the pensioners (one-half of 1 percent of all beneficiaries) were disqualified.

Two out of three older (62 years and over) women claimants received OASI, compared to one-half of the older men. Nevertheless, approximately the same proportion of women (17 percent) as men (15 percent) OASI pensioners were disqualified.

Two-thirds of claimants receiving OASI pensions were separated from their former employment when their job was completed. Among disqualified pensioners, job completion accounted for only 44 percent of separations. Voluntary quits, discharges, health reasons, and company policy were more frequent causes for separation among those disqualified than among all claimants receiving OASI.

In addition to the characteristics mentioned above, it was found that claimants eligible for OASI pensions had occupational experiences similar to those of the total claimant population. However, 44 percent of claimants receiving OASI were from white collar (professional, clerical, and sales) and service occupations, whereas only 18 percent of claimants eligible but not receiving OASI had these occupations.

Older claimants had a work history experience similar to that of all claimants. OASI recipients had less work experience although it was still substantial—74 percent had been employed for 26 weeks or more in their base period while 86 percent of older claimants not receiving OASI had that much employment. OASI recipients who were disqualified had been unemployed longer at the time of the survey than those who were not disqualified.

Of all claimants drawing OASI, 82 percent received this pension alone; only 4 percent had OASI and other pension totaling $180 or more per month, and 36 percent of the OASI pensioners disqualified were drawing other pensions, compared to 15 percent of those OASI pensioners who were eligible for UI.

Four out of five claimants drawing OASI filed for their pensions at age 65 or younger. Since only half the claimants were this young at the time they filed for UI, approximately 30 percent must have started drawing OASI before that.

The factors that contributed most toward disqualification of claimants drawing OASI were insufficient evidence of being "regular labor force members," unrealistic work contacts, and restrictions placed on annual earnings.

The study was concerned with analyzing the results of a change in the Oregon law in 1963 to the effect that claimants eligible for OASI pensions "shall be ineligible for unemployment compensation benefits unless and until it is demonstrated to the Commissioner's satisfaction that such individual has not voluntarily withdrawn from the labor force." Previous to this change, no distinction had been made between the eligibility requirements of claimants eligible for OASI and all other claimants. This study examined the characteristics and experience of claimants age 62 and over during the first year of administration of the new law.

The report is based on interview records of all older workers under the new provision and on data from a supplementary interview of 20 percent of these claimants during the study period. Some information is presented on all UI claimants, but for the most part the study deals with claimants eligible for OASI pensions. All data are presented as percentage distribution; no absolute figures are given.

UI Benefit Experience in 1966*

HIGHLIGHTS

During 1966, falling unemployment and generally high employment were reflected in new low levels in most UI claims activities in both State and Federal programs.

Yet, even with the high level of economic prosperity during the year, such factors as short-term layoffs and the normal amount of job dislocations that cause unemployment affected a great many people.

The number of people aided by UI programs and the maintenance of their purchasing power clearly demonstrated the contribution unemployment compensation makes, even in prosperous times, to the economic welfare of the Nation as a whole, as well as to its workers who are suffering a temporary loss of wages. Over 4 million unemployed workers benefited from the Federal-State program, receiving nearly $2 billion in benefits.

State Programs

- New claims under State programs totaled 5.4 million, the lowest volume since 1949. (In 1965 they numbered 6.1 million.) About 25 percent of these workers filing new claims never drew benefits, presumably because they found employment before completing their waiting period and their first week of "compensable unemployment." A relatively small proportion was found not eligible for benefits.
- The average weekly volume of State insured unemployment was 1,061,400, down about 300,000 from 1965 and the lowest since 1953.
- The rate of State insured unemployment for the year was 2.3 percent, compared to 3.0 percent in 1965. This was the lowest for any year since 1945 when it was 2.1 percent. (At that time covered employment was slightly over 28 million, and since then it has increased more than 17 million.)
- The number of persons drawing benefits averaged 900,000 per week, compared to 1.1 million last year. This was the lowest figure since 1953 when the number was 812,000.
- On the average, each claimant was jobless for 5.2 weeks in each period of his unemployment, the lowest average since 1953. In 1965 the figure was 5.7 weeks.
- Some 780,700, or approximately 20 percent of those who qualified for any benefits at all, were unemployed long enough to exhaust all of their unemployment insurance protection. Again, this was the lowest figure since 1953 when the number was 764,400. In 1965 exhaustions totaled 1,086,000.
- Of the claimants who qualified for benefits, eight out of ten either returned to work, found new jobs, or stopped filing for some other reason before they had drawn the full amount to which they were entitled.
- The average weekly benefit check drawn for total unemployment was $39.76, the highest for any year in the history of unemployment insurance. This was due to fuller employment at higher wages over the past few years and to more liberalized benefit formulas adopted by the States. Last year the average check was $37.19.
- Benefits paid out under the State programs totaled an estimated $1.8 billion, the lowest amount since 1957 when benefits totaled $1.7 billion. Last year the amount was $2.2 billion.

Federal Programs

- Average weekly insured unemployment under the program for Federal employees (UCFE), at 20,500, was the lowest volume since this program started in 1955 and was 4,100 below 1965.
- Benefits paid under UCFE amounted to approximately $41 million, the lowest since 1957 and about $9 million below last year. The average weekly benefit amount was $40.64, the highest since the beginning of the program. In 1965 it was $38.29.
- Under the program for ex-servicemen (UCX), 20,900 claims were filed on a weekly average, the lowest volume since the program started in 1958. The total in 1965 was 36,400.
- UCX benefits paid amounted to nearly $39 million, again a record low since the program's inception and some $27.5 million below last year. The average weekly benefit check was $39.63, also an alltime high. In 1965 it was $36.73.

**Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.*

The President's Economic Report to Congress

President Johnson, in his Economic Report presented to the Congress on January 26, recounted our continuing American prosperity while reminding the Nation of its resources available to meet remaining responsibilities and obligations.

Following are portions of the report of interest to those concerned with the employment security program.

RECENT ECONOMIC GAINS

An average of 74 million persons were at work in 1966—2 million more than in 1965. Nonfarm payrolls averaged 64 million, a gain of 3 million. On the whole, these jobs were better paying than ever, and more regular and more secure than most workers can remember.

The value of our total production of goods and services in 1966 was $740 billion—$58 billion, or 8½ percent, higher than in 1965. More of the increase than we wanted represented higher prices. Still, the gain was nearly 5½ percent *after* correction for price changes.

Labor, business, and the farmer all contributed to this major gain in production, and they rightly shared the benefits.

Aggregate compensation of employees rose 10.3 percent. Average compensation per man-hour in the private economy rose 6.5 percent, reflecting increased wages and fringe benefits, more overtime, the shift to higher-paying jobs, and increased employer contributions to Social Security. Corporate profits after taxes advanced more than 8 percent; per dollar of sales they were roughly unchanged from the high rate of 1965. Net income per farm rose more than 10 percent.

The single most meaningful measure of economic well-being is real disposable income per person—the after-tax purchasing power in stable dollars, available on the average to every man, woman, and child. It rose 3½ percent or $89 per person in 1966. Although this advance was somewhat smaller than in 1965, it was still three times as large as the average yearly gain in the 1950's.

February 1961 launched the strongest and most durable economic expansion in our economic annals, and it still continues.

- Almost 9 million jobs have been added in the last 6 years.
- The rate of unemployment has fallen from 7 percent in early 1961 to under 4 percent. The rate for white adult males fell from 5 percent to 2 percent; for Negro men, from nearly 12 percent to less than 5 percent.
- Early in 1961, more than two-thirds of our major labor markets were "areas of substantial unemployment"; today only 8 of the 150 are so classified, and 66 have unemployment below 3 percent.
- While total population rose 11 million between 1961 and 1965, the number of Americans in poverty declined 5½ million, and probably fell at least another 1¼ million in 1966. (The poverty definition is adjusted for the increase in living costs.)
- Our gross national product (GNP) has grown 50 percent in 6 years. In constant prices, the gain has averaged 5½ percent a year. The physical output of our factories and mines is up over 50 percent.
- Private output per man-hour in 1966 was 19 percent higher than in 1961.
- The 6-year addition to our gross stock of private productive capital—machines, buildings, transportation equipment, land improvements, and inventories—is valued at $220 billion.
- American families have added $470 billion to their accumulated financial assets. They have added $150 billion to their debts. So their net financial position is $320 billion stronger than 6 years ago.

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OUR ECONOMIC PROBLEMS

Prosperity is everywhere evident. But prosperity is never without problems, and—in 1966—some of them were serious.

Some Leading Problems

1. *Economic progress still left far too many behind.*

- Nearly 3 million workers were without jobs at the end of 1966. Perhaps two-thirds of them were "frictionally" unemployed: new entrants to the labor force in the process of locating a job; persons who quit one job to seek another; workers in the "off" months of seasonal industries; those temporarily laid off but with instructions to return. Their unemployment will be temporary; many were drawing unemployment insurance.
- But most of the remaining third will wait a long time for a steady job. They are the "hard-core" unemployed—lacking the necessary skills to find other than intermittent work; the victims of past or present discrimination; those unable or unwilling to move from depressed areas and occupations; the physically or emotionally handicapped.
- Another half million to one million *potential* workers were not even counted as unemployed. Many had long ago abandoned any search for a job. Some had never tried.
- But even among those who worked year-round, some 2 million breadwinners—particularly the low-skilled with large families—earned incomes insufficient to support a minimum standard of decent subsistence.
- And 6½ million families were poor because the heads of their households were unable to work: either aged, severely handicapped, or a widowed or deserted mother with young children.

Those left behind used to be called the "invisible poor." But an awakened public conscience has sharpened the vision of most Americans.

USING THE GAINS OF GROWTH

From early 1961 to the end of 1966, our GNP rose an average of $44 billion a year. About $9 billion a year was price increase. Of the balance

- An average real gain of $10 billion a year (in 1966 prices) came from putting idle men and machines back to work.
- An average real gain of $25 billion a year (in 1966 prices) came from the growth of our resources: a larger work force, more and better capital and management, higher productivity.

Further gains from putting idle resources to work will now be harder to achieve.

But our annual dividend from growth has meanwhile become more generous. In 1967 it will add $30 billion at today's prices to our potential output.

Our economic policies must assure that we realize this potential dividend—and use it wisely.

HELPING THE DISADVANTAGED

The United States is the first large nation in the history of the world wealthy enough to end poverty within its borders. There are many fronts in the War on Poverty. We are moving forward on them all.

- There must be full employment so that those qualified and able to work can find jobs. . . . The unemployment rate last year was the lowest in 13 years.
- Those not now fully qualified must be given the education and training, the health and guidance services which will enable them to make their full contribution to society. . . . We have greatly increased our aid to education and enlarged our training programs, and we will expand them further.
- For those who will be unable to earn adequate incomes, there must be help—most of all for the benefit of children, whose misfortune to be born poor must not deprive them of future opportunity. . . . We have increased our income support, and we will increase it further.

- Wherever the poor and disadvantaged are concentrated, intensive and coordinated programs to break the cycle of deprivation and dependency must continue and be reinforced. . . . We have instituted these programs in hundreds of cities and rural areas; we are expanding them and designing others.

Training and Employment

The coexistence of job vacancies and idle workers unable to fill them represents a bitter human tragedy and an inexcusable economic waste. One of society's most creative acts is the training of the unemployed, the underemployed, or the formerly unemployable to fill those vacancies.

A dynamic economy demands new and changing skills. By enabling workers to acquire those skills, we open opportunities for individual development and self-fulfillment. And we make possible higher production without inflationary pressures.

I shall ask the Congress for funds to support a new and special effort to train and find jobs for the disadvantaged who live in urban ghettos.

I shall also propose legislation to improve the effectiveness of the Federal-State employment service.

Unemployment Insurance

Our system of unemployment insurance was created in a world of massive unemployment. The needs of a high employment economy are different. Today, when jobs are available, the jobless who exhaust their benefits typically need training, guidance, or other supportive services.

Therefore, I am asking the Congress to consider legislation to provide such services in conjunction with extended benefits to the long-term unemployed, to extend the protection of the system to additional workers, to establish more uniformly adequate benefits, and to correct abuses.

CONCLUSION

Our task for 1967 is to sustain further sound and rewarding economic progress while we move toward solutions for the problems we met in 1966. It will require a flexible and delicate balance of economic policies.

Above all, we must guard against any interruption of our prosperity. The steady advance of jobs and incomes is our most powerful weapon in the battle against poverty and discrimination at home. And it undergirds our policy around the world.

The Federal Government cannot do the whole job—or even very much of it. Production and incomes arise from the strength and skill of workers, the ingenuity of managements, the willingness of savers to risk their capital, the genius of inventors and engineers, the patience of teachers, the devotion of local public servants—the contributions of all who participate in our economy.

Yet the Federal Government has a role of leadership and a responsibility for coordination.

The Congress defined that role in the Employment Act of 1946:

> . . . it is the continuing policy and responsibility of the Federal Government . . .
>
> . . . with the assistance and cooperation of industry, agriculture, labor, and State and local governments,
>
> to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining,
>
> in a manner calculated to foster and promote free competitive enterprise and the general welfare, . . .
>
> . . . useful employment opportunities . . . for those able, willing, and seeking to work,
>
> and to promote maximum employment, production, and purchasing power.

Our economic policies for 1967 respond to that mandate.

Improving Communications Skills of UI Personnel

PHILIP R. HARRIS

TO LIVE, to be, is to change! Man and his institutions are subject to continuous and progressive adaptation. The Bureau of Employment Security in seeking to respond to the accelerating changes that are affecting the whole of society, including all levels of government service, is sponsoring a number of advanced training programs for unemployment insurance personnel of the State employment security agencies. Such a project was recently inaugurated at Temple University in Philadelphia through its Bureau of Business Services. There, UI examiners, referees, and auditors from many areas of the country gathered for the courses. The examiners and auditors participated in an intensive 1-week course, while the referees focused on 2 weeks of training. Mr. Dwight Stewart, director of the program at Temple University's College of Business Administration, arranged for a balanced schedule which included administrative law, report writing, communications skills, and interviewing. The amount of time spent in each area differed with the needs of various personnel involved. This article deals only with those aspects of the program which came under the heading of "communications and interviewing skills."

The premise of this segment of the training was that anyone who deals with people can always improve his knowledge of human relations and interpersonal behavior. In society at large there are evident trends toward renewed emphasis and concern for the human being and the counteraction of growing alienation among men in an age of technology. To offset the tendency to treat man in a mechanical fashion, almost like a "thing or number," education, industry, and government are seeking ways to humanize their everyday relationships with people. Thus, many branches of government are exploring a more humanistic approach to their efforts with citizens, as contrasted to the more traditional legalistic attitude. Certainly, the various programs administered through the Federal-State employment security system appropriately reflect this healthy new emphasis and are concerned about the development of human resources in this country. Therefore, it has become essential that human relations training be incorporated into the overall plan for the development of UI personnel in the State agencies. Improvements in the communication process between administrators and personnel will be reflected between employees and the public. It was within this context that the subject matter in the area of communications was developed for the Bureau's training program.

Dr. Harris is a psychologist at Temple University in Philadelphia. He designed the communications section of the Bureau-sponsored courses given for State agency UI referees, auditors, and examiners. He is a senior associate with Leadership Resources, Incorporated, of Washington, D.C., a group of university-based behavioral scientists and consultants.

Communications Design at Temple

The basic approach was to involve the participants in a learning experience and not subject them solely to lectures. The auditors received only 5 hours in the communications segment of the program, while the others averaged 16 hours. In addition to class meetings, the examiners and referees were given mimeographed material on various aspects of communication. This was to be studied and reviewed in the evening by small groups, and some of them reported their discussions the next day. A few of the topics covered and the method of teaching are described as follows:

1. *Communication theory.*—This was a lecture into which was integrated a series of exercises. The content dealt with such concepts as:

   a. Man's versatility as a communicator.
   b. His need to experience the other side in communication.
   c. The communication process.
   d. The qualities of communication.

e. The importance of feedback, appropriateness, efficiency, flexibility, and acceptance.

f. The influence of one's field of experience on communication and the need to integrate this message into a pattern of ideas.

To emphasize these points, the following techniques were employed:

a. Reaction panel. After a portion of the lecture, the panelists questioned the speaker.

b. Selective listening. One group of listeners concentrated on clarification, another on application, and another on points of disagreement.

c. Report-back procedure. Some listened to a portion of the lecture, some took notes, and some were told to concentrate on certain aspects that were to be developed. The clarity and accuracy of the listening were compared when different groups reported on the reception of the message by use of the foregoing procedures.

d. Group discussion. The class divided into subgroups to discuss the meaning of a selection in the lecture, and then contrasted the different group reports on this communication.

e. Demonstration. The group observed the effect on a story when it was passed from one person to another, until the last person reported the substance of the story to the one who originated it.

f. Illustration. The use of contrast, examples, and visualization to highlight the content was manifested.

2. *Microlaboratory.*—Since it is important that examiners and referees communicate at the emotional as well as at the intellectual level when working with clients, the following exercise in sensitivity training was employed. The participants were divided into small groups of six and given certain topics for discussion under pressure of limited time. The assignment was for each to concentrate the discussion on his feelings about this or that subject; for example, how he felt about his job, his colleagues, or the claimants. Various techniques from human relations laboratories were used to help the participants grow in sensitivity, such as the use of observer groups which provided both individual and group feedback to those engaged in dialog. The experience provided an opportunity for the trainees to express first impressions of one another and to revise these impressions after longer contact. The participants were then urged to consider how their first impression of a claimant often influences their decisions and relationships with him. They were helped to perceive that many forms of nonverbal communication take place in dealing with claimants and employers, of which a sensitive communicator should be aware.

3. *Debate technique.*—The papers that were provided for outside reading dealt with general principles from the applied behavioral sciences which the students would then have to apply to their own situation within their agencies. A number of procedures were employed to help the participant relate his "homework" and his job. One such method was the debate. Half of the audience took the position that the theory in these papers was not applicable to the situation in their unemployment insurance office, while the others took the opposite position. A lively discussion ensued and much new knowledge was gained as a result of this participation.

4. *Role playing.*—In the course for claims adjudicators, the role playing method was explained and utilized. Trainees were asked to select some situation from their job experience in which they were not satisfied that they had conducted a successful interview. The group was paired into two's, with an observer. One individual assumed the role of the claimant in a specific case where he had previously served as an examiner. Another participant assumed the role of examiner in this case situation, portraying the other's method of handling the decision. This proved quite helpful with additional comments by the observers. Then the two reversed roles to reenact an interviewing incident from the second participant's experience.

The role playing technique was also employed as a *socioguidrama.* A group of trainees was asked to prepare a dramatic skit based on an experience from the daily activity of an examiner and instructed to carry this critical incident to a climax but not to provide the audience with a solution. About half a dozen participants reenacted this situation involving relations among a supervisor, an examiner, an office manager, and claimants. After 10 minutes the whole class was participating in the solution of the dramatized situation. Many interesting comments were made on the various approaches that were suggested for solving the same problem, and the whole group benefited from this exchange of viewpoints.

5. *Case studies.*—Two professors employed the case study method, based upon actual incidents from unemployment insurance cases. These were constructed on the basis of articles that have appeared in the *Unemployment Insurance Review*, as well as from interviews with adjudicators concerning their previous experiences with claimants. (An even better procedure might be to have the participants construct their own cases.)

A variation on the case technique was inaugurated when the author compiled a "Challenge Inventory" based on a series of short statements taken from critical incidents and situations involving human relations problems noted in cases in the *Unemployment Insurance Review*. The class was asked to prepare decisions on the 45 items. The next day, in small groups, discussions of the results were conducted. The writer also designed a report-writing inventory for the same purpose.

6. *Brainstorming.*—The steps in the brainstorming technique were outlined for the class. Two short warmup exercises were then provided. From among the various problems of examiners or referees which had been brought out, one was selected for the whole group to consider. It concerned the professional development or upgrading of the examiner or referee. Many creative ideas on the subject were expressed within a 3-minute period. About an hour was spent in further refinement and discussion of the suggestions brought out in this brainstorming effort. Subsequently, the suggestions were mimeographed, and it is hoped that there will be some followup by the trainees to implement the very excellent points raised by their colleagues on this vital subject. This proved to be one of the most stimulating and instructive sessions of the whole course. Another professor improved upon the technique by having the students brainstorm on what they would like to see incorporated in a manual for interviewers. As a result of this exercise and before the course had ended, the students were actually given a mimeographed outline of the interviewing procedures that had resulted from their own efforts.

7. *Class reports.*—Panel discussions, symposiums, and forums were utilized so that participants could present their summaries or viewpoints on the various mimeographed notes which they had been given concerning decision-making, valid communication, problem solving, and interview techniques. In the course of these student-led discussions it became evident that much concern existed about how to use their new knowledge and insight when they returned to their job situation. Many felt that the new ideas and approaches they had gathered during the course of the program might not be well received by those who favor the traditional methods still being used. Therefore, a special session was arranged to consider the problem of planned change. As a result, the participants gained confidence regarding how to suggest introducing certain changes into the system they had been following for many years. The trainees' reports indicated a great need for improved procedures, as well as methods for making constructive changes as a result of developing these new insights.

From these discussions and the evaluation forms filed by the trainees, some changes have been made in this course. Faculty members have conferred with the Bureau to improve the program. As a result, sessions have been added on the reasoning process, problem solving, and decision making.

8. *Audio-visual aids.*—A 16-mm. film on communication, "More Than Words," was shown. The highlights of communication and change theory were also presented visually by means of an overhead projector. However, the most innovative technique used was videotape. Adjudicators were asked to prepare actual interviews with claimants and employers, while referees reviewed sessions based on previous experience. The university's office of instructional television arranged to film four 10- to 15-minute presentations. Those who participated then joined the rest of the class for playback sessions on a television screen and were able to see and hear the varied aspects of their own interviewing techniques. They benefited from the constructive observations of their classmates about the televised incidents. This use of videotape for a UI training session was considered by all involved to be most valuable.

Conclusions

The trainees seemed anxious to grow in their careers and to serve the public as effectively as possible. It is my opinion, as a result of exposure to a variety of State UI personnel, that the capabilities of the trainees could be more fully utilized by their respective agencies. They proved to be capable of more creative thinking than required in their current work situations, and they responded well when a lecturer attempted to build up their self-

image. There were some indications that many had placed a low value on themselves, as well as on the type of work they were performing. When the "big picture" in the development of human resources was presented to them and related to their own opportunities with unemployed citizens, they reevaluated their positions and responded enthusiastically.

When given the opportunity to express themselves regarding ways in which their efficiency could be increased, the participants displayed a remarkable professional sense. They were aware of the need for an association for referees and examiners at the national and local levels in which to promote their professional development. They advocated setting up a professional library in each unemployment insurance office, so that staff would have an opportunity to read publications that would help them increase their knowledge of the field. Furthermore, they were aware of the need for advanced training, both on a long-term and short-term basis. They recommended an increase in the grants available to the employees of the State agencies so that they might pursue formal course work at universities.

The trainees' response to the group participation technique in training was most favorable. After the students became familiar with the mindset and procedure of the human relations laboratory, they were pleased with the techniques. Therefore, it is recommended that further sensitivity training be made available to additional agency personnel because confidence and self-esteem are of great importance in their job relationships. Whenever the professors attempted to enhance the trainees' self-concept and widen their vision of their vocational activity, they reacted gratefully. They sensed their own need for greater skill in counseling and they related the principles of a professional guidance interview to their own work situation. However, some deplored the lack of time, and lack of privacy during interviews. They also indicated the need to work more closely with Employment Service staff so that their job referrals and counseling of claimants would be more effective.

Finally, it appeared that the trainees enjoyed the opportunity of coming to a university campus, mixing with college students, and getting acquainted with faculty. It was an experience that opened many new vistas for the trainees. It is hoped that more referees, auditors, and examiners will benefit from such outservice training.

Unemployment Insurance Decisions*

Just Too Humorous

California.—On May 4, 1966, a senior accounting clerk gave a month's notice of intention to leave. The next day, she wrote various comments for each of the coming months, from May through December, on a large calendar kept on her office wall. The comments were prompted by some of her coworkers who thought that she had a vivid imagination and good sense of humor and requested that she record such comments so that they would have a remembrance of her after she was gone. Also on the wall was a birthday card that had been given to her in February 1966, on which was pictured a humorous character with a sword protruding from his back. Someone had added the words, "Common practice at [the company for which the claimant worked]," and a red arrow pointing from those words to the hilt of the sword, along with four red dots apparently representing droplets of blood. On May 6, the employer discharged the claimant contending that the comment on the birthday card and the notations on the calendar held the employer up to ridicule, were derogatory, and reflected unfavorably upon the company and the supervisors.

The claimant contended that she was not motivated by malice and that the comments were made only in a spirit of fun and humor; that she thought her supervisor would also appreciate her intended humor because of the close working relationship existing between them; that if she had felt that the employer or the supervisors would consider the comments derogatory, she would not have displayed them in a prominent location on the wall, clearly visible to all who entered her working area.

With respect to the comments which the claimant had written on the calendar, the referee found that her action, while not in the best of taste, reflected poor judgment rather than any intention to impugn the reputation of her employer. The Appeals Board affirmed the decision of the referee that the claimant was discharged for reasons other than misconduct connected with her work.

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and it concluded that the comments on the calendar were not unequivocally derogatory to anyone or implied there was anything offensive about the employer. The whole tenor of the writing was consistent with the claimant's testimony that she was trying to leave some humorous nonsensical remarks as a lighthearted remembrance. Her testimony that she did not make the entry on the birthday card was not convincingly refuted by any first-hand witness. There was no showing of a deliberate disregard of the employer's interest. (Case No. 66–4112, Nov. 23, 1966.)

Safety Rule—For One or All

Louisiana.—The claimant had worked in a chemical corporation plant for 5 years. Female employees had been allowed to wear dresses, slacks, or culottes at work. Then the safety engineer instituted a new rule, and the claimant was told that she would have to wear slacks. The pastor of her church told her that this was against the church's teaching. She explained this to her supervisor and requested that she be allowed to wear a dress or culottes. She was told that she must wear slacks or be terminated, and she left her employment.

The Board of Review affirmed the decision of the referee that the claimant left work with good cause connected with her employment. The Board pointed out that the rule of employment at the time she was hired allowed a choice of dresses, slacks, or culottes, and that other female employees of the company who were hired prior to the change of the safety rule were allowed to continue wearing dresses or culottes. The employer, in denying her request, did in fact discriminate against her. (Docket No. 719–BR–66, Nov. 14, 1966.)

Pastoral Duties on the Side

Louisiana.—A licensed minister conducted services at one church every first Sunday of the month and at another church every fourth Sunday. He had worked for 5 years as a car-greaser and porter under an agreement that he would be allowed to conduct funerals in the event this duty occurred during working hours. He would then immediately return to his regular job. The employer decided that the minister's church duties had become more frequent than when he began his employment and let him go.

The Board of Review held that the claimant was not discharged for misconduct connected with his employment, but was laid off when the employer could no longer employ him under the original agreement. The Board also held that the claimant's pastoral duties did not render him unavailable for work, and found that he was available for full-time work as indicated by his testimony that the two little country churches did not provide him a living and that it was necessary for him to work on a regular job to maintain himself. As the claimant pointed out, aside from his ministerial duties, he had always worked for a living. (Docket No. 754–BR–66, Nov. 18, 1966.)

The White Linen Blouse

New Jersey.—A factory worker was told by her forelady that she would not work on her machine the following day, but would be doing light assembly work. Relying on that statement, she wore a white linen blouse to work. She was again assigned to the machine, which was the only dirty operation in the plant and the only one on which it was necessary to wear work clothes. Even though there were no available work clothes, and despite the near certainty that her blouse would be ruined, she worked on the machine. In order to protect her blouse as much as possible, she used a piece of scrap cloth as a bib. The forelady saw this, accused her of "horseplay," and told her to go to the office. She did so. After explaining the situation to her supervisor, she returned to the machine. However, the forelady continued to shout at her and remonstrate with her. The worker was tired from running the machine under such trying circumstances, with a temperature of 120° in the shop, and she left work rather than become involved in a verbal or physical altercation with the forelady.

The claimant had attempted unsuccessfully to get a union in the plant a year previously. At that time the forelady said that she would get even and if it were up to her the claimant would not be working. The claimant was of the opinion that the forelady's continued actions were a direct result of that threat. The appeals examiner held that the claimant left with good cause attributable to the work because the forelady had made the job untenable, and there was no possibility of appeal since she had already spoken to her supervisor and there was no union. She had no alternative but to leave. (Appeal Tribunal Decision No. AT–66–10017, affirmed by Board of Review Decision No. BR–64462–C, Nov. 9, 1966.)

Her Wig Was a Flip

Oklahoma.—The claimant worked as a teller in a savings and loan association. A memorandum was circulated, stating that the officers of the corporation had discussed the wearing of false hair by lady employees and that they wished them to refrain from the practice in the future. The claimant along with two others was discharged the next day because she was wearing a wig. She stated that the memorandum was the first notice employees had that the employer disapproved the wearing of wigs. She was interested in making a good appearance because she worked with the public, and she had worn the wig the next day because she could not get to the beauty shop to have her natural hair fixed. She did not consider the memorandum a warning of discharge inasmuch as the only action taken, when another memorandum had been circulated about long lunch hours and employees had continued to take them, was to call these employees into the office for a talk. The claimant described her wig as being so near the color of her natural hair that everyone thought she had merely restyled it when she first wore the wig. She stated that it was styled in a "flip," which she considered to be conservative in comparison with other fashions. The referee concluded, ". . . while the claimant may have used poor judgment, her purpose in wearing the wig was to present the proper appearance on the job where she met the public. . . ." He held that she was not discharged for misconduct connected with her work. (Decision No. 2359–AT–66, Nov. 9, 1966.)

Trends in the Economy*

The Yearend Story

ECONOMIC DEVELOPMENTS during 1966 were mixed. The first half of the year was generally buoyant, continuing the acceleration of growth that characterized most of 1965; in the second half, however, imbalances became more evident, and a slowdown in the rate of gain developed. Despite the "pause" in the latter part of the year, 1966 emerged as one of the best years for business activities in the 6-year expansionary period. Gross national product, industrial production, and retail sales reached record levels. However, real growth climbed by 5.4 percent compared with the exceptional gain of 5.9 percent in 1965 and the 6.6-percent increase in 1962 when the country was pulling out of the 1960–61 recession. Contrasted with previous years in the recovery period, the gains in 1966 brought with them a significant measure of inflation. Prices increased sharply as demand pressed upon productive capacity. Consumer and wholesale prices registered their largest increases since the midfifties. To moderate excessive demand from both the private and government sectors, monetary policy turned restrictive during midsummer, and by late 1966 pressures began to ease. One of the effects of the "tightening," however, was a slowdown in construction. Residential construction fell off first, and new housing starts dropped to the lowest level in over 20 years; then commercial and industrial construction began to slow down.

Employment also reached record levels in 1966, averaging 1.8 million higher than in 1965. The low monthly unemployment rates hovered between 4.0 and 3.7 percent of the civilian labor force, and averaged 3.8 percent for the year. This was the lowest yearly rate since 1953 when it averaged 2.9 percent.

Shortages of skilled workers became increasingly common until the closing months of the year, and producers used their available work forces more intensely. The average workweek in manufacturing rose to 41.5 hours in the spring—the highest in about 20 years—and did not begin to edge off until December.

Business Activities

Gross national product was at an annual rate of $759.1 billion in the final quarter of 1966—$13.8 billion more than the third quarter and sharply up, by $54.7 billion, from the fourth quarter a year ago.

This final quarter gain showed an inconsistent pattern. Consumer buying of both durable and nondurable goods showed little change from the third quarter, but spending on services advanced by some $4 billion (annual rate). Fixed investment fell by $1.5 billion, pulled down by a drop of $3 billion in residential construction (the third successive quarterly decline). Nonresidential construction remained unchanged, while producers' durable equipment rose by $1.5 billion. Inventory investment increased at an annual rate of $4.5 billion more than in the preceding quarter, for the sharpest upward movement in inventories since 1956. Government purchases of goods and services recorded strong gains. Defense spending by the Federal Government, which climbed by $5 billion (annual rate) in the third quarter, showed a further rise of $3.5 billion. State and local government expenditures, continuing their long-term uptrend, increased by more than $2 billion.

For the year as a whole, GNP totaled $739.5 billion, up by $58.3 billion, or about 8.6 percent, from the previous high of $681.2 billion in 1965. Due to the heavy impact of the war in Viet Nam, defense spending was about one-fifth above the 1965 level, and represented some 17 percent of the total gain in GNP. During the second half of the year, defense expenditures became the dominant force in the expansion; however, they absorbed only about 8 percent of the Nation's output in 1966, a smaller proportion than the 13 percent at the height of the Korean conflict.

**Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.*

Following increases in outlays for new plant and equipment in 1964 and 1965, of 14.5 and 16 percent, respectively, business added another 16 percent in 1966. A larger share of capital spending went for additions to capacity, but these additions (especially in defense and equipment industries) were not sufficient to keep pace with rising demand; as a result, price pressures intensified. In October, the 7-percent investment tax credit of 1962 and liberalized depreciation allowances were suspended in an effort to "cool off" the overheated economy. But this action, which was too late in the year to significantly reduce 1966 activity, did not apply to large amounts of work already in process and on order.

Record employment, higher wages, and overtime bonuses contributed to a sharp rise in consumer spending in 1966. Expenditures rose by 8 percent, despite higher social security contributions, expanded Federal income tax withholding, and increased State and local taxes. All components showed advances, but the most rapid increases were in nondurables and services; these sectors showed over-the-year gains of 8.1 and 8.4 percent, respectively. Durable goods spending, up by 5 percent and partly reflecting a slip in auto sales, was the smallest year-to-year gain since the expansion began.

Industrial production showed little change in December, edging up by 0.1 point to 158.7 (1957–59=100), about 6.5 percent higher than a year earlier. Within the industry groupings, manufacturing output was unchanged from November, as a slight dip in durables was offset by a small gain in nondurables. The indexes for mining and for utilities each showed a small advance.

For all of 1966, industrial production, as 156 percent of the base average, rose by 13 points, or 9 percent; and most of the advance occurred in the first half of the year. From July through December, the increase was only 2.2 points.

A slackening in auto production in the last half of 1966 contributed heavily to the relatively poor showing in industrial output during that period. For the year as a whole, the number of new car assemblies fell to an estimated 8.6 million from a record 9.3 million in 1965, the first drop in auto production since 1961. In the latter half of the year, auto output (seasonally adjusted) was 5 percent lower than in the first half.

The steel industry broke another record in 1966 by turning out an estimated 134 million tons. However, steel production slowed in the latter half of the year, with output in December (seasonally adjusted) off by nearly 9 percent from the June figure. Cutbacks in car production and the continuing slump in construction were important factors in reducing steel output in the latter half of the year.

After 2 consecutive months of decline, the volume of *new orders for durable goods* in December moved up by 3.2 percent to a seasonally adjusted $23.9 billion. Most of the gain occurred in the aerospace industries, reflecting a rise in Government procurement. Compared with a year earlier, orders for durables were about 2 percent higher.

Shipments of durable goods in December rose to a record $23.8 billion (seasonally adjusted), exceeding the previous high of $23.5 billion in October. Increased machinery and primary metals shipments were the chief factors in the over-the-month rise.

Since new orders edged higher than shipments, the *backlog of unfilled orders* rose by $200 million to $76.3 billion in December, compared with the $62.5 billion backlog at the end of December 1965.

Construction expenditures during December were at a seasonally adjusted annual rate of $70.4 billion, compared with $71.1 billion in November and the record rate of $79.5 billion reached in March. In physical terms, construction activity was off 12 percent over the year.

Spending in December 1966 for private nonfarm home construction (the weakest part of the building industry) was down by 10 percent from November and 25 percent from a year earlier. Public construction spending was also off sharply from November, down 17 percent, but topped the December 1965 total by a slight 1-percent margin.

For all of 1966, construction spending (in current dollars) totaled a record $74.6 billion, but virtually all of the 4-percent increase from the previous high in 1965 represented price increases. On a physical volume basis, there was a decline of 1 percent which covered a drop of 2 percent in total private construction, an 11-percent falloff in home construction, and a 4-percent gain in public construction.

The seasonally adjusted annual rate of *housing starts* rose to 1 million units in December—9.4 percent above November, but still nearly half a million (annual rate) below the 1966 record volume set in January. The December advance was centered in the North Central region, where starts

climbed somewhat over 50 percent. Starts also moved up in the West, by 9.5 percent, and remained at the November level in the South. The North East noted a decline of 16 percent. For the year as a whole, private housing starts totaled 1.2 million, down by 19 percent from 1965 and the lowest figure since the statistical series on current housing starts began in 1959.

The December *building permit* pace also quickened, rising by 8 percent. However, the current rate was steeply below that of December 1965. Regionally, the pace increased in all areas except the North East, where a reduction of 15 percent occurred.

Personal income continued its uptrend in December, rising to a seasonally adjusted annual rate of $601.5 billion. However, the December rise of $3 billion trailed the gains of $4.1 billion in November and $4.4 billion in October; and it was also below the average monthly gain of $3.8 billion for all of 1966.

The broad category of wages and salaries moved up by $2.3 billion, following a $2.8 billion advance in November. This slowing in the rate of gain reflected a very slim increase ($200 million) in the key factory payroll section, in which the November gain amounted to $700 million. Salaries paid by the services category and by the Federal, State and local governments rose as strongly as in the month before; interest income rose also. Transfer payments (mainly social security, medicare, and veterans' benefits) showed a greater gain than in November, but dividend income dropped sharply.

For all of 1966, personal income totaled $580.4 billion, up by $45.3 billion, or 8.5 percent, from 1965. This was the sharpest relative gain in 15 years. Disposable income rose by $36 billion, compared with a $32.5 billion gain in 1965. The 1966 saving rate (savings as a percent of disposable income) was 5.3 percent; in 1965 the rate was 5.5 percent.

All personal income components in 1966 showed substantial increases. Factory payrolls advanced by $11.7 billion, and government wages and salaries moved up by $8.2 billion (about one-third of this advance was in military payrolls). Transfer payments rose $4.8 billion, with nearly half of the upswing attributable to the growth in social security benefits.

Retail sales eased slightly in December. The $25.4 billion volume was only 2 percent above a year earlier, and it represented the slimmest over-the-year advance for any month since September 1961 when the economy was in the early stages of recovery from a recession. The over-the-month reduction partially reflected a weakening in auto sales, which were 9 percent below November's volume and 6 percent under the level a year earlier.

For 1966 as a whole, the retail sales total was up to a new high of $303.7 billion—some $19.7 billion above the previous record established in 1965. However, the year-to-year sales gain of 7 percent was less than the 8.5-percent advance of 1965 (when the tax cut stimulated purchases).

Employment

Total civilian employment in December, at 74.6 million, was 394,000 below the volume of the previous month, but the decline was some 150,000 less than seasonal for this time of year. Compared with December 1965, employment was up by 1.9 million, with gains of 1.1 million for adult women, 415,000 for teenagers, and 324,000 for adult men.

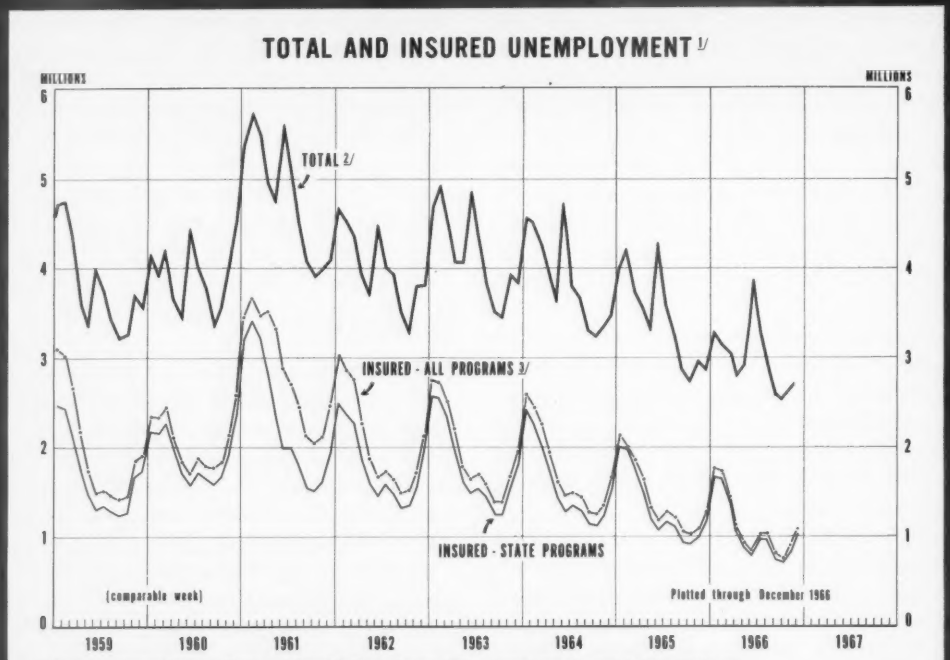
In 1966, total civilian employment averaged a record 74.1 million, and the 1.9 million gain from 1965 was the largest increase in any year of the expansion. However, despite the strength in employment developments, the rate of improvement slowed after the first quarter of the year. Gains in the remaining three quarters just about matched the growth in the labor force.

Adult women and teenagers accounted for most of the employment growth over the year, and their rates of unemployment were the lowest since 1953 and 1957, respectively. Although the increased demands of the Armed Forces, combined with previous reductions in unemployment, had reduced the supply of adult men available for jobs in 1966, their employment grew by 300,000. As a result, the jobless rate of adult men fell to its lowest level since 1953.

The yearly gain in the nonagricultural sector was 2.3 million. However, farm employment fell by nearly 400,000 below the 1965 level; in the 4 prior years reductions in farm jobs ranged from 175,000 to 275,000.

Nonfarm payroll employment reached an average of nearly 64 million for the year—3.1 million higher than in 1965 and the largest year-to-year gain in the postwar period.

Mining was the only industry sector that registered an employment loss—about 4,000. The largest rise occurred in manufacturing—1.1 mil-



1/ Total unemployment includes Alaska and Hawaii beginning January 1960. Insured unemployment includes Alaska and Hawaii beginning July 1959, Puerto Rico beginning January 1961, and Puerto Rican sugar workers beginning July 1963.
2/ Source: Bureau of the Census and Bureau of Labor Statistics. Data revised for past periods to conform to definitions effective January 1957.
3/ Includes State, Veterans', Ex-servicemen's, Federal Civilian Employees', and Railroad Programs. Also includes Federal and State programs for temporary extension of benefits beginning June 1958.

lion. Employment in government moved up by 760,000; and in trade, by 536,000. The services segment posted a rise of 483,000, while the transportation-public utilities industry showed an increase of 103,000. Although construction recorded an employment gain of 100,000 from 1965, the number of jobs was on a downward trend during most of the year from the alltime high of 3.4 million in March; by December, construction employment was nearly 300,000 below the March figure, reflecting the decline in both residential and commercial building.

Within manufacturing, employment in durable goods showed a vigorous growth—up by some 804,000, or 7.7 percent, from the average in the preceding year. Three durable goods industries—machinery, electrical equipment, and transportation equipment—together accounted for over 500,000 of the 1965–66 pickup. All other durable goods industries reported employment advances, with gains varying between 13,000 in lumber to 84,000 in fabricated metals. In the nondurable goods industries, employment moved up by 3.3 percent, or 250,000, with the largest rises occurring in chemicals (48,000), printing (45,000), and apparel (42,000). The only decline was registered by tobacco manufactures—3,000.

In 1966, the manufacturing *workweek averaged* 41.4 hours, which was 0.2 hour more than in 1965 and the highest average since 1945. *Average hourly earnings* rose to $2.71 from $2.61 in 1965.

With both average weekly hours and hourly earnings advancing, gross weekly earnings continued their long-term climb. At $112.20 for all production workers, *average weekly earnings* were up by 4.3 percent from 1965.

Unemployment

In December *total unemployment* moved up by nearly 100,000 to 2.7 million. On a seasonally adjusted basis, the jobless rate edged up from 3.7 to 3.8 percent. The rates for adult men, women, teenagers, and married men have shown no significant changes over the last several months.

For the year as a whole, total unemployment averaged 3.0 million—down about 500,000 from the volume in 1965. About two-thirds of the year-to-year decline occurred among adult men (down 316,000), while the 137,000 drop in unemployment among women represented about one-fourth the total reduction. The number of jobless teenagers showed little change between 1965 and 1966, moving down by some 27,000.

Insured Unemployment*

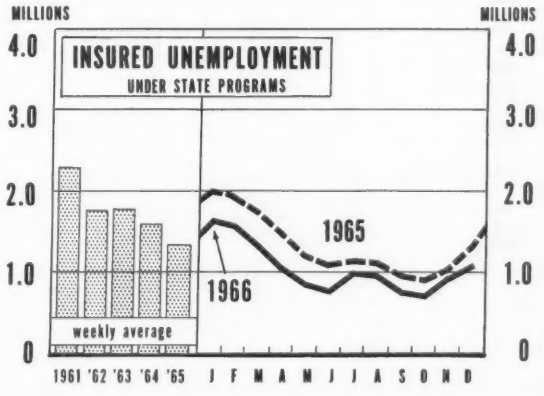
INSURED UNEMPLOYMENT, at a weekly average of 1,253,600 in December, was about 39 percent above the November volume but 4 percent below the number a year earlier. The greater than expected rise between November and December resulted, in part, from the effects of construction layoffs. Also contributing to the unemployment rise were layoffs in the apparel and textile industries, usual at this time of year, as well as cutbacks in food processing plants. Seasonally adjusted, the insured unemployment level stood at 1.1 million, up from 1.0 million in November but below the 1.2 million level of a year earlier.

Only Puerto Rico showed fewer jobless workers than in November—down by 5,600, as claims from sugarcane workers continued to taper off. The largest increases were registered in New York (62,300), California (39,900), Pennsylvania (27,700), New Jersey (17,800), and Ohio (17,700).

The national rate of insured unemployment was 2.7 percent, compared with November's rate of 1.9 percent. As is customary in December, Alaska and Puerto Rico posted the highest rates, 10.3 and 8.0 percent, respectively. In addition, seven States reported jobless rates of more than 4.0 percent—Nevada (5.9), Oregon (5.3), California (5.0), North Dakota (4.9), Idaho (4.7), Washington (4.6), and Montana (4.5). In contrast, six States and the District of Columbia showed jobless rates of less than 1.5 percent, including such large States as Indiana and Texas. The lowest rate occurred in Virginia—0.7 percent.

Fewer Jobless

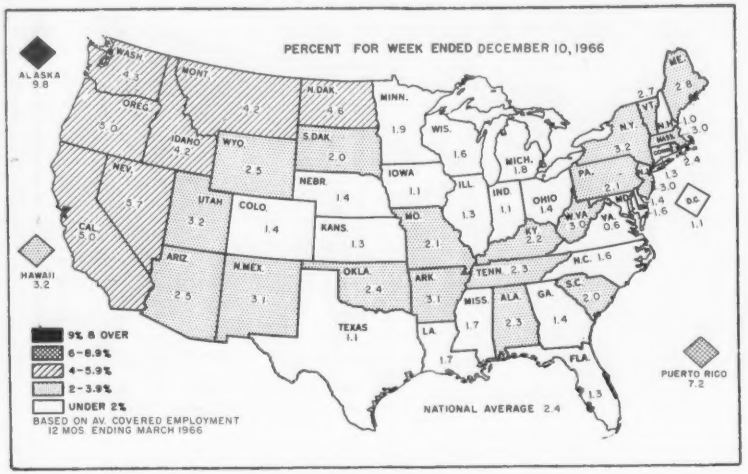
Compared with a year earlier, the December average weekly volume of insured joblessness was down by 54,200. Lower volumes were reported in all major industrial groups except construction; the most substantial reductions were among workers from manufacturing, trade, and services. The decline in the manufacturing segment reflected, in part, less unemployment than a year ago among workers in the primary metals and food processing industries.



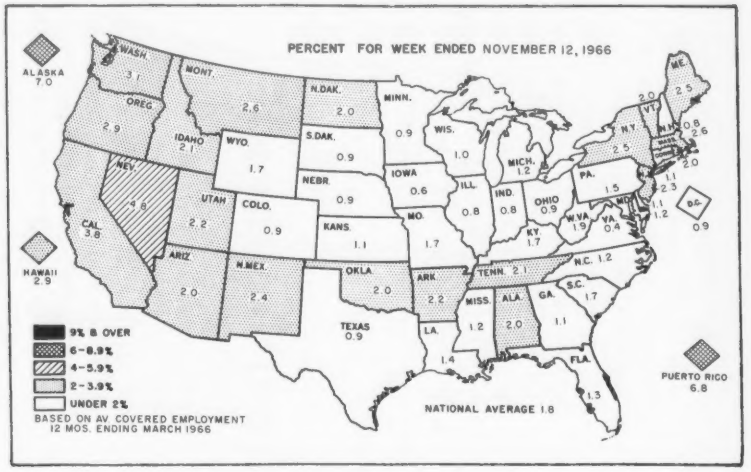
**Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.*

STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

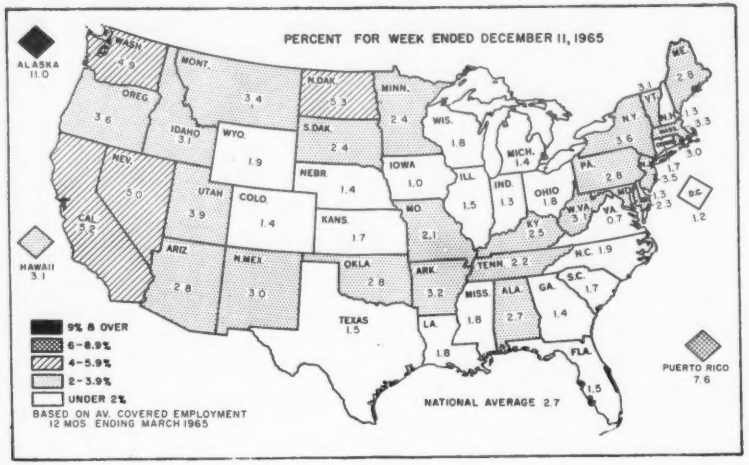
LATEST MONTH



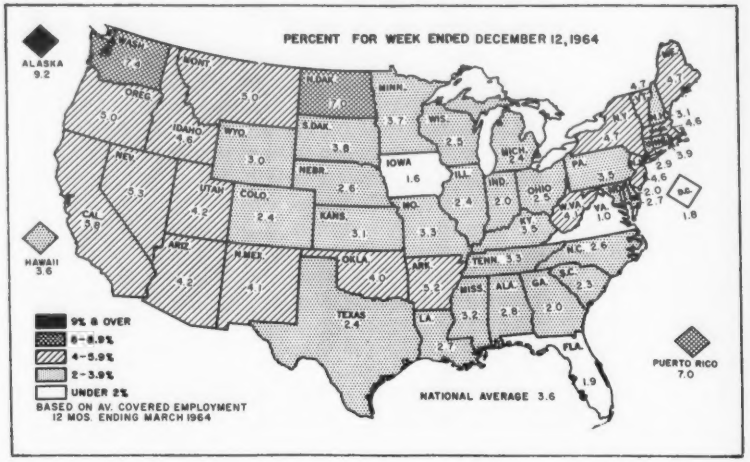
PREVIOUS MONTH



ONE YEAR AGO



TWO YEARS AGO



Week ended—	Initial claims [1]		Insured unemployment [1]	
	1966	1965	1966	1965
Nov. 5	189, 800	205, 100	782, 200	935, 200
Nov. 12	194, 300	196, 000	856, 500	1, 005, 100
Nov. 19	216, 700	256, 700	880, 100	1, 036, 300
Nov. 26	205, 600	228, 600	988, 900	1, 145, 300
Dec. 3	243, 600	257, 300	1, 037, 900	1, 161, 100
Dec. 10	302, 600	250, 900	1, 128, 800	1, 187, 600
Dec. 17	254, 700	263, 200	1, 204, 800	1, 237, 900
Dec. 24	289, 000	287, 200	1, 268, 700	1, 355, 500
Dec. 31	377, 900	376, 600	1, 498, 000	1, 539, 100
Weekly averages				
November	207, 900	224, 900	903, 200	1, 042, 300
December	299, 400	289, 600	1, 253, 600	1, 307, 800

[1] Refers to State programs.

Among the States, the most sizable December-to-December declines were in Pennsylvania (14,500), New York (13,500), Ohio (7,400), and California (6,600). Increased activity in the primary metals industry was largely responsible for the reductions in Pennsylvania and Ohio. New York reported employment gains in trade and services establishments, and California had less joblessness among food processing workers.

Levels of unemployment in December were higher than a year ago in 18 States, the District of Columbia, and Puerto Rico. Curtailed construction activity was mainly responsible for the most substantial increase—12,900 in Michigan.

For 1966 as a whole, average weekly insured unemployment, at 1.1 million, was down 300,000 from 1965. This was the lowest average for any year since 1953. The rate of insured joblessness for the year was 2.3 percent—the lowest for any year since 1945. In 1965, the rate was 3.0 percent.

Initial Claims

Initial claims under State programs moved up from a weekly average of 207,900 in November to 299,400 in December 1966. A year earlier, the volume was 289,600. The weekly average for 1966 was 203,300, down 28,300 from 1965 and the smallest average for any year since 1949.

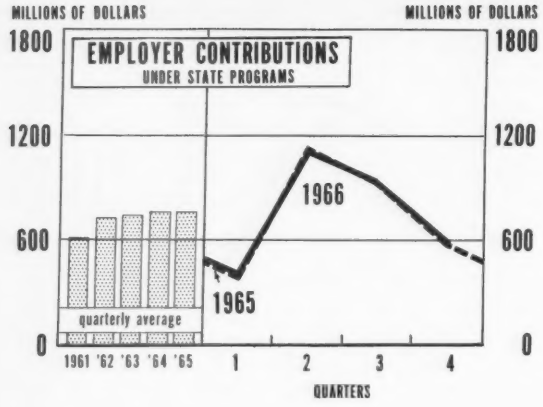
Benefit Payments

In December, approximately $166.4 million in benefits was paid to the insured jobless under all regular State programs, the two Federal programs, and the railroad program. This rise was $43.9 million above the November total but $18.3 million below the amount paid out a year earlier. Included in the December figure were some $157.6 million disbursed under the State programs, an aggregate of $6.0 million under the two Federal programs (UCX and UCFE), and $2.9 million under the railroad program.

The weekly benefit check for totally unemployed workers averaged $41.39 in December, as compared with $40.57 in November and $38.81 a year earlier. The highest average benefit checks were paid in California ($51.40), Hawaii ($48.58), Colorado ($47.63), and Michigan ($45.72); the

Activity [1]	Number or amount, December 1966	Percent change from—		January–December cumulative (in thousands)	
		November 1966	December 1965	1966	1965
Initial claims [2]	1, 280, 000	+39. 9	−0. 4	10, 576	12, 047
Weeks claimed [2]	4, 935, 600	+31. 0	−10. 3	55, 195	69, 042
Insured unemployment (weekly average) [2]	1, 253, 600	+38. 8	−4. 1	1, 061	1, 328
Beneficiaries (weekly average)	902, 500	+34. 1	−8. 9	895	1, 131
Benefits paid [3]	$157, 565, 600	+37. 2	−8. 5	$1, 771, 298	$2, 166, 004
Claimant exhaustions	54, 000	+9. 9	−25. 4	781	1, 086

[1] Data relate to State programs only.
[2] Includes agent State claims taken by the Virgin Islands; also includes data under Puerto Rico sugarcane program.
[3] Monthly data represent gross amount; cumulative data represent net amounts.



lowest were issued in Puerto Rico ($17.43), Mississippi ($25.98), and West Virginia ($25.99).

Approximately 9.5 percent of all benefits paid in December were for partial unemployment. The average partial unemployment check was $23.47; in November it was $22.94. Last December partial benefit checks averaged $23.15. States with the highest proportion of partial payments were Maine and Pennsylvania (20.5 percent in each); the lowest proportions were in Puerto Rico (3.0), the District of Columbia (3.2), and Indiana (3.5).

For the year as a whole, total benefits paid amounted to nearly $1.9 billion, as compared with $2.3 billion in 1965.

Exhaustions at 13-Year Low

In December the number of persons exhausting their benefit rights under State programs rose by 5,100 to 57,000; this was only three-fourths the number of a year earlier. Exhaustions this December accounted for about 7 percent of the 810,000 claimants who stopped filing for benefits during the month. Presumably, most of the remainder who ceased filing had returned to work or had left the labor force.

During 1966, some 780,700 persons under the State programs exhausted their benefits rights. This was 35 percent less than in 1965 and the smallest number for any year since 1953.

NOTE.—A separate monthly report, *Unemployment Insurance Statistics*, provides more detailed data on unemployment insurance activities. Copies of *Unemployment Insurance Statistics* are available upon request to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C. 20210.

Selected Unemployment Insurance Statistics, State Programs, December 1966

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending Dec. 1966 (in thousands)		Funds available December 1966 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total, 52 States ...	8/ 1 280 049	8/ 4 935 639	8/ 1 253 575	902 455	$41 39	57 019	$157 565 577	$1 771 298	$3 359 790	$9 828 231
Alabama	10 904	58 205	16 085	11 726	31 67	1 003	1 610 042	16 694	31 210	105 540
Alaska	2 636	15 426	4 203	2 909	42 68	207	538 925	6 586	10 588	10/ 20 260
Arizona	8 008	32 399	8 108	5 269	37 88	355	866 091	9 902	17 886	73 210
Arkansas	11 249	46 568	12 113	7 544	29 56	585	955 985	9 954	17 949	41 098
California	177 238	984 200	227 030	199 954	51 40	11 097	4 430 7 395	9/ 412 716	571 337	819 501
Colorado	5 790	20 521	6 211	4 205	47 63	300	85 4457	9 238	18 145	71 699
Connecticut	20 336	52 293	14 366	10 272	43 63	765	1 914 175	25 530	65 927	246 147
Delaware	3 063	10 612	2 579	2 534	42 12	206	455 959	5 818	7 092	25 729
Dist. of Col.	3 587	16 121	4 043	3 081	43 16	217	581 512	7 323	11 220	68 969
Florida	12 920	68 670	15 429	8 253	28 56	1 144	1 010 607	17 287	40 939	205 603
Georgia	10 794	52 308	13 588	10 083	33 07	1 324	1 345 176	13 560	42 774	226 787
Hawaii	2 725	25 525	5 976	5 303	48 58	243	1 070 417	7 639	11 818	27 322
Idaho	6 417	24 088	6 408	4 817	44 10	130	696 410	6 041	10 213	36 619
Illinois	50 712	172 842	43 506	30 934	43 97	2 127	5 801 693	70 514	105 418	580 467
Indiana	18 806	51 281	15 843	11 040	35 17	1 219	1 681 644	20 918	60 404	225 982
Iowa	6 787	22 876	6 227	3 622	42 45	287	642 526	7 627	13 929	124 516
Kansas	6 422	22 216	5 931	4 523	40 59	332	787 060	9 504	19 476	75 202
Kentucky	15 704	54 397	12 862	7 838	35 54	601	1 141 772	14 883	29 612	136 714
Louisiana	10 277	45 752	12 512	10 055	35 77	857	1 535 724	19 631	41 711	150 615
Maine	6 001	25 660	6 314	4 760	35 05	408	666 991	6 478	11 037	39 878
Maryland	18 486	55 865	15 325	12 265	39 78	431	2 053 667	21 697	53 345	208 710
Massachusetts	56 851	220 165	55 470	42 563	42 65	2 725	7 301 646	86 721	148 576	291 708
Michigan	41 945	151 009	44 814	26 831	45 78	1 745	5 285 968	78 097	199 021	10/ 607 578
Minnesota	18 304	73 020	18 733	13 264	35 48	877	2 040 292	19 651	43 646	51 753
Mississippi	7 593	26 192	7 024	3 899	25 98	287	431 397	6 077	16 800	74 105
Missouri	30 859	98 489	25 488	16 127	38 04	1 018	2 436 745	29 159	54 467	266 231
Montana	4 313	18 579	5 348	4 037	31 86	368	566 911	5 320	6 402	21 190
Nebraska	4 010	12 685	4 223	2 976	36 04	267	459 964	6 050	9 290	45 547
Nevada	5 628	29 940	7 423	6 696	43 44	405	1 251 274	11 359	11 307	29 317
New Hampshire	2 839	6 590	1 840	1 133	36 20	9	162 537	1 891	8 049	37 013
New Jersey	73 688	237 357	59 199	51 117	40 35	3 610	8 742 039	105 041	157 381	369 135
New Mexico	4 766	20 660	5 754	4 004	31 23	175	538 565	6 180	8 192	37 851
New York	234 316	764 654	195 127	131 606	43 25	6 896	23 404 633	316 134	483 566	1 472 971
North Carolina	16 616	71 626	22 428	13 658	28 09	734	1 585 612	20 962	54 472	278 579
North Dakota	2 666	13 097	3 825	2 473	41 82	237	452 057	5 530	14 426	7 612
Ohio	56 261	161 148	42 232	25 019	40 43	1 049	4 348 934	52 320	200 774	515 251
Oklahoma	7 926	43 014	10 586	8 233	27 48	672	973 859	10 511	17 238	56 403
Oregon	26 891	103 705	25 358	18 499	39 80	981	3 089 885	21 091	36 852	114 273
Pennsylvania	111 439	310 935	77 726	54 219	35 97	1 979	7 730 021	86 550	318 554	10/ 536 000
Puerto Rico	8/ 15 096	8/ 145 541	9/ 35 070	13 127	17 43	2 803	1 022 873	9/ 15 138	23 955	64 015
Rhode Island	12 381	30 274	8 139	5 823	39 74	441	969 893	11 816	21 708	64 902
South Carolina	7 088	43 286	10 397	7 873	31 42	732	1 055 905	9 801	25 660	113 835
South Dakota	1 722	6 893	1 854	1 060	33 29	116	146 717	1 824	2 735	16 194
Tennessee	17 162	81 547	21 425	15 208	30 73	1 043	1 738 251	18 742	51 229	142 910
Texas	18 207	90 906	25 476	17 425	31 04	2 040	2 312 093	29 553	66 261	292 566
Utah	6 115	28 491	7 243	5 285	40 53	389	926 055	9 038	12 093	40 461
Vermont	2 544	10 086	2 679	1 978	36 83	72	299 583	3 180	9 456	15 004
Virginia	8 613	21 401	6 400	3 888	32 55	322	543 843	7 402	24 807	169 510
Washington	30 221	126 834	31 218	24 220	33 95	574	3 577 950	31 707	66 586	251 502
West Virginia	9 276	46 396	11 812	7 559	25 99	425	829 086	9 721	18 761	72 886
Wisconsin	32 136	76 580	22 888	13 529	45 12	532	2 627 563	32 909	60 107	246 868
Wyoming	1 693	6 393	1 718	1 140	40 07	58	193 998	2 281	4 390	12 492

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made, the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $22,346 in payments under extended duration provisions of State laws in Puerto Rico.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.

Selected Unemployment Insurance Statistics, Federal Programs,[1] December 1966

State	UCFE					UCX				
	Initial claims received [2]	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid [3]	Average weekly payments for all unemployment [4]	Initial claims received [2]	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid [3]	Average weekly payments for all unemployment [4]
Total	9,800	81,966	17,061	$3,045,271	$40.58	16,876	83,142	16,355	$2,973,340	$41.32
Alabama	211	1,587	305	45,134	33.66	293	1,565	343	52,627	34.90
Alaska	158	1,914	370	73,221	44.98	55	409	78	14,951	43.45
Arizona	164	1,052	200	33,924	38.59	232	1,186	234	41,847	40.71
Arkansas	107	966	173	24,589	32.35	157	949	178	27,575	35.13
California	1,504	15,391	2,770	640,184	52.52	2,907	19,737	3,671	793,095	49.10
Colorado	84	444	103	20,409	45.05	244	880	184	36,703	45.37
Connecticut	26	288	54	10,797	45.18	109	449	76	14,093	42.07
Delaware	5	100	15	2,797	41.13	32	179	40	8,367	47.01
Dist. of Col.	169	2,707	733	147,477	45.73	46	308	63	11,858	42.50
Florida	98	1,093	137	18,275	30.41	248	1,281	203	28,786	32.24
Georgia	118	1,546	362	61,305	38.48	202	1,242	276	49,704	40.88
Hawaii	59	810	235	50,094	48.45	116	986	258	60,261	53.19
Idaho	265	1,054	147	26,756	41.35	156	537	97	17,288	40.39
Illinois	256	2,468	531	83,674	35.82	563	1,809	318	55,733	39.87
Indiana	54	604	128	20,803	37.08	260	614	128	20,657	36.82
Iowa	47	220	35	5,738	37.75	90	345	83	16,332	44.62
Kansas	51	614	150	28,997	44.00	117	387	88	16,911	43.59
Kentucky	231	1,287	214	34,181	36.36	358	2,215	412	73,781	40.72
Louisiana	150	1,042	187	30,363	36.94	169	1,075	218	38,414	40.01
Maine	39	251	52	7,373	32.20	102	413	74	13,043	40.01
Maryland	114	598	119	20,188	38.53	324	832	192	36,240	42.94
Massachusetts	147	2,207	549	115,102	47.62	267	1,827	420	89,457	48.43
Michigan	200	1,217	266	46,645	39.83	487	1,753	351	67,888	43.97
Minnesota	123	714	176	24,067	31.05	378	1,489	340	58,624	39.21
Mississippi	232	1,059	195	22,911	26.77	77	385	84	10,898	29.53
Missouri	222	1,051	232	36,880	36.19	326	1,187	256	44,271	39.35
Montana	194	941	213	30,860	32.97	135	433	112	16,292	38.11
Nebraska	67	536	152	23,104	34.64	64	183	45	7,424	37.31
Nevada	66	424	95	18,098	43.40	116	405	98	18,674	43.13
New Hampshire	10	51	6	1,013	38.95	69	93	18	3,430	43.97
New Jersey	312	1,981	339	65,466	43.91	464	2,758	536	103,430	43.72
New Mexico	174	933	181	25,742	32.34	187	871	157	23,522	34.09
New York	910	6,843	1,367	251,156	41.75	1,243	4,360	753	132,751	40.05
North Carolina	135	959	218	28,054	29.25	209	1,030	219	38,038	39.50
North Dakota	57	362	77	12,895	38.26	139	601	104	17,497	38.20
Ohio	148	2,094	488	81,905	38.15	805	2,732	402	71,830	40.58
Oklahoma	67	962	243	30,615	28.69	130	1,143	249	33,543	30.60
Oregon	259	1,435	313	46,339	33.70	417	1,848	350	63,101	41.03
Pennsylvania	423	4,967	1,116	187,349	38.16	1,397	6,553	1,256	220,720	39.94
Puerto Rico	33	524	127	10,477	18.78	196	1,908	436	38,879	20.25
Rhode Island	45	425	108	21,208	44.46	72	453	97	18,504	43.54
South Carolina	41	652	135	20,326	34.33	111	862	156	27,200	39.65
South Dakota	60	427	98	14,120	32.84	81	284	58	8,686	33.80
Tennessee	569	3,176	618	97,285	35.79	311	2,184	439	69,200	35.85
Texas	270	2,908	730	105,597	32.90	567	3,381	803	127,401	36.07
Utah	177	1,401	311	58,173	42.56	108	593	111	19,500	40.04
Vermont	8	109	22	4,225	43.55	22	119	23	4,140	41.40
Virginia	112	507	98	14,307	33.04	151	451	85	13,364	35.54
Virgin Islands	0	0	0	0	0	1	4	0	70	35.00
Washington	531	4,862	1,111	182,176	37.26	971	2,898	592	101,208	38.87
West Virginia	41	325	62	5,872	21.51	352	1,700	330	47,168	32.44
Wisconsin	222	1,601	328	65,008	45.02	197	1,100	225	42,189	42.57
Wyoming	35	277	67	12,017	41.01	46	156	35	6,175	40.63

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955, and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

Income-Maintenance Program Operations
All Programs

	1966		1965	
	August	July	August	July
Total Public Income-Maintenance Payments (millions)	$3,650	$3,424	$3,089	$3,096
Old-age, survivors, and disability insurance	1,803	1,648	1,408	1,417
Railroad and public employee retirement	1/567	1/560	1/506	1/491
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/381	2/338	2/365	2/358
Veterans' compensation and pension programs	371	366	351	376
Public assistance	529	511	459	454
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	21,857	21,823	20,209	20,240
Retired workers	11,532	11,510	10,884	10,891
Survivors and dependents	9,261	9,253	8,372	8,398
Disabled workers	1,064	1,060	955	950
Total monthly benefits (millions)	3/$1,593	3/$1,589	3/$1,364	3/$1,365
Retired workers	970	968	850	850
Survivors and dependents	518	517	427	428
Disabled workers	104	104	87	87
Public Assistance				
Total recipients (thousands)	7,949	7,904	8,122	8,086
Federally aided programs	7,353	7,329	7,457	7,442
Aid to families with dependent children--children	3,403	3,385	3,297	3,292
Total recipients	4,498	4,475	4,388	4,377
Old-age assistance	2,093	2,094	2,145	2,145
Other federally aided programs	1,477	1,440	925	920
General assistance: Cases	285	279	314	306
Recipients	596	574	665	644
Total payments (millions)	4/$529	4/$511	4/$459	4/$454
Federally aided programs	499	481	429	424
General assistance	22	21	20	20

1/ Data not comparable with earlier reports. Effective January 1964, Federal noncontributory and State and local retirement systems previously included with the data for unemployment insurance, temporary disability insurance, and workmen's compensation are included with railroad and public employees retirement systems.
2/ Data for temporary disability insurance and workmen's compensation include estimated payments made by private insurers and self-insurers in accordance with law.
3/ Current payment status, excludes lump sum and retroactive payments and adjustments for over and under payments.
4/ Total exceeds sum of items because of inclusion of vendor payments, not shown in detail.

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	September 1966	August 1966	September 1966	August 1966	September 1966	August 1966	September 1965	August 1965
California								
State plan								
Basic benefits	47,599	52,351	281,499	313,174	$15,595,262	$17,351,960	$15,495,358	$15,944,188
Additional hospital benefits	1/26,788	1/30,061	2/194,639	2/216,820	2,335,668	2,601,840	2,428,800	2,549,220
Private plan	3,110	3,560	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New Jersey								
State plan	10,227	8,006	59,826	62,044	2,360,691	2,434,643	2,276,676	2,143,420
Private plan	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New York	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
Rhode Island	2,727	3,088	30,841	30,937	1,100,947	1,125,452	936,130	933,858
Railroad								
Sickness	8,245	11,072	4/105,374	5/102,316	3,729,141	3,537,817	3,990,428	3,783,356
Maternity	124	127	4/2,154	5/2,302	150,189	167,395	156,739	178,247

1/ Represents the number of payments made.
2/ Days for which additional hospital benefits were paid.
3/ Data not available.
4/ Estimated from data "benefit periods" compensated which number 52,687 for sickness and 1,077 for maternity.
5/ Estimated from data "benefit periods" compensated which number 51,158 for sickness and 1,151 for maternity.

Income-Maintenance Program Operations
All Programs

	1966		1965	
	September	August	September	August
Total Public Income-Maintenance Payments (millions)	$3,670	$3,650	$3,941	$3,089
Old-age, survivors, and disability insurance	1,862	1,803	2,266	1,408
Railroad and public employee retirement	1/572	1/567	1/498	1/506
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/337	2/381	2/357	2/365
Veterans' compensation and pension programs	371	371	358	351
Public assistance	528	529	463	459
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	21,919	21,857	20,389	20,209
Retired workers	11,563	11,532	10,966	10,884
Survivors and dependents	9,280	9,261	8,460	8,372
Disabled workers	1,076	1,064	965	955
Total monthly benefits (millions)	3/$1,598	3/$1,593	3/$1,483	3/$1,364
Retired workers	973	970	921	850
Survivors and dependents	519	518	468	427
Disabled workers	105	104	94	87
Public Assistance				
Total recipients (thousands)	7,852	7,949	8,095	8,122
Federally aided programs	7,256	7,353	7,446	7,457
Aid to families with dependent children--children	3,414	3,403	3,296	3,297
Total recipients	4,508	4,498	4,379	4,388
Old-age assistance	2,084	2,093	2,140	2,145
Other federally aided programs	1,440	1,477	928	925
General assistance: Cases	286	285	305	314
Recipients	596	596	649	665
Total payments (millions)	4/$528	4/$529	4/$463	4/$459
Federally aided programs	497	499	433	429
General assistance	23	22	21	20

1/ Data not comparable with earlier reports. Effective January 1964, Federal noncontributory and State and local retirement systems previously included with the data for unemployment insurance, temporary disability insurance, and workmen's compensation are included with railroad and public employees retirement systems.
2/ Data for temporary disability insurance and workmen's compensation include estimated payments made by private insurers and self-insurers in accordance with law.
3/ Current payment status, excludes lump sum and retroactive payments and adjustments for over and under payments.
4/ Total exceeds sum of items because of inclusion of vendor payments, not shown in detail.

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	October 1966	September 1966	October 1966	September 1966	October 1966	September 1966	October 1965	September 1965
California								
State plan								
Basic benefits	47,983	47,599	278,304	281,499	$15,428,301	$15,595,262	$14,818,790	$15,495,358
Additional hospital benefits	1/27,974	1/26,788	2/202,033	2/194,639	2,424,396	2,335,668	2,483,556	2,428,800
Private plan	2,692	3,110	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New Jersey								
State plan	7,707	10,227	56,856	59,826	2,238,693	2,360,691	2,258,865	2,276,676
Private plan	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New York	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
Rhode Island	2,867	2,727	26,320	30,841	961,484	1,100,947	872,165	936,130
Railroad								
Sickness	8,315	8,245	4/107,116	5/105,374	3,751,687	3,729,141	3,916,316	3,990,428
Maternity	108	124	4/2,112	5/2,154	146,861	150,189	141,046	156,739

1/ Represents the number of payments made.
2/ Days for which additional hospital benefits were paid.
3/ Data not available.
4/ Estimated from data "benefit periods" compensated which number 53,558 for sickness and 1,056 for maternity.
5/ Estimated from data "benefit periods" compensated which number 52,687 for sickness and 1,077 for maternity.

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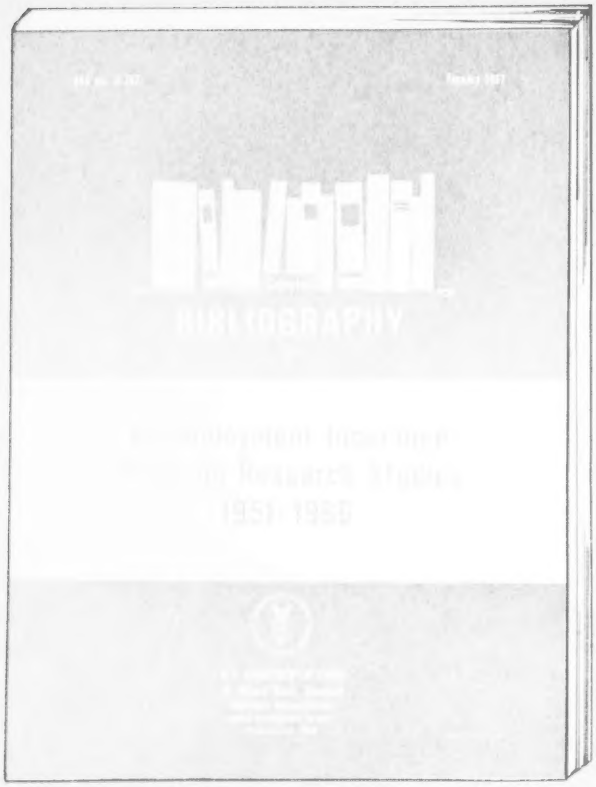

▶*Selected Bibliography of Unemployment Insurance Program Research Studies 1951–1966* (BES No. U–255, January 1967) was prepared as a ready reference for State employment security agencies, other governmental or private research groups, and students interested in unemployment insurance. The bibliography lists research studies published from January 1951 through December 1966 relating primarily to the program aspects of unemployment insurance. It consists of two listings:

Studies arranged by subject area, alphabetically by State within each subject area.

Studies arranged by State, including the District of Columbia and Puerto Rico, from the most recent to the oldest date of issue of studies for each State.

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